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THE GROWTH OF AN IDEAL



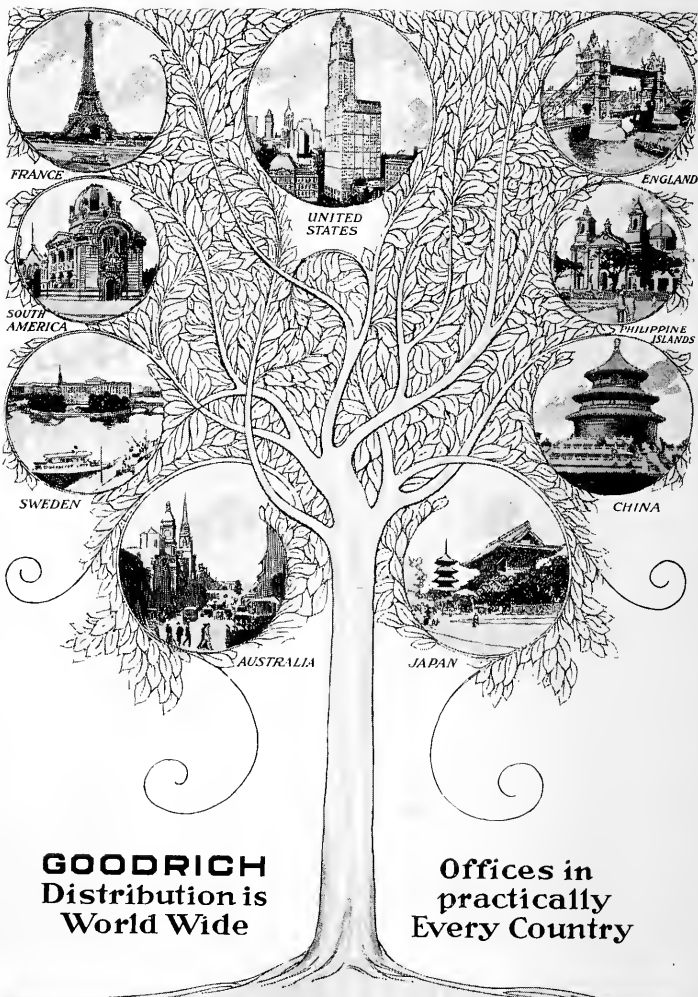


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GOODRICH EMPLOYEES READING COURSE

VOLUME II

THE GROWTH *of* AN IDEAL

EMBRACING THE
HISTORY OF THE GOODRICH COMPANY AND THE
ECONOMY OF FACTORY AND BRANCH
ORGANIZATION AND OPERATION



WRITTEN IN
THE SALES TRAINING DEPARTMENT OF
THE B. F. GOODRICH RUBBER COMPANY
AKRON, OHIO

TS 1885
21656

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THE B. F. GOODRICH RUBBER COMPANY

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Preface

This book has been written more with the idea of opening for the new employee the door of acquaintance than for any other reason. In fact, its sole intended purpose is to give those previously unacquainted with the past and present of the institution of Goodrich, a quick insight into all divisions and departments. It must be recognized, however, that growth is taking place even as this is being written, and that, therefore, nothing like completeness can be approached. We wish accordingly to mention that it cannot be considered as a reference book except insofar as the past is concerned.

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Introduction

IT WAS not until nearly three centuries had elapsed after the discovery of the "wonder milk," now known as rubber latex that this substance was recognized as the means whereby man was to receive practical commodities. The Spanish had discovered it, the French had classified it, Priestly had given it its English name, but at this point both scientific and practical progression paused; and outside of museums little was ever heard or seen of the "inspissated juice" as La Condamine had described the black material which he found the natives using.

Although rubber was seemingly marking time from about 1731 to midway in the nineteenth century and had, like many important discoveries made little immediate appeal to practical man, there were, nevertheless, many dreamers who believed this new product could be utilized for some purpose and hence there were many experiments. The efforts of most of the early theorists unfortunately culminated in naught, but there were a few whose experiments were crowned in a measure by success. To these men the beginning of the rubber industry may be ascribed, even though it was not until the nineteenth century that this product conquered that position which it now occupies as an indispensable material in modern industry or even still more as an essential adjunct to the necessities which civilization has created. This position we must admit has been reached through the efforts of many men worthy of recognition but since the purpose of this work is to tell only of the achievements of those responsible for The B. F. Goodrich Company we leave the roles played by others for further research on the part of the reader.

CHAPTER ONE

The Institution

THE FOUNDER. As Hancock had shed light upon the possibilities of rubber as an everyday commodity, as Goodyear had discovered the means for making the ideas realities, so Dr. Benjamin Franklin Goodrich played a leading role in the development of the channel through which the dreams and discoveries of his predecessors were able to be enjoyed by all men in all walks of life. It was he who, in the west, blazed the trail of practical manufacture and established and guided the company that first demonstrated the real scope of rubber; thereby opening up one of the greatest present day industries of the world.

Starting from a one-man beginning, The B. F. Goodrich Company has progressed with such substantial and measured steps that today it holds the honor of operating "The Largest Rubber Factory in the World." This rank has not been easily maintained, but has been kept by virtue of thousands of men working as a unit in bringing about the realizations of what the founder, Doctor Goodrich, had visioned. Dr. Goodrich, the dreamer, who was withal a man of wonderful foresight and strength of character; an ardent optimist and a hard, persistent fighter for valuegiving, square dealing, and justice, the sound, essential business principles by which this Organization is ever actuated.

This man whose personality after thirty years is still revered by those who knew him, was honored for

his humanitarian principles, and as the man who made good his promises. His geniality was the by-word of the countryside, and in any reminiscence of his friends and acquaintances or old residents of Akron will be found the eulogy of "Doc Goodrich" who ran "the smelly rubber shop" on the bank of the Ohio Erie canal down in "South Akron."

The products of this then small factory were known as "rubber goods which never wore out" and never a word but praise and respect for the "boss" was ever heard from its employees. Many interesting episodes in the life and doings of "the Doctor" which reveal his fighting spirit might be related; but the one which to us seems to best typify the determination with which he met and overcame seemingly almost insurmountable difficulties—thus perpetuating an ideal—is the story of his fight to keep the wheels turning and his workmen, of whom he thought so much, from being turned out of a job.

Many the times he was obliged to pack his samples and disappear on a still hunt for business to prevent threatened shutdown, and it is said that seldom did his belief in his line, and his straightforward way of telling it, fail to win him a full order book. And he saw to it that he made good his boasts, for immediately upon his return he would take off his coat, roll up his sleeves, and superintend the making of the goods which were destined to make his name synonymous with quality, respected by friend and foe alike. Many instances can be found where White Anchor hose, one of the first products of this factory, has been in service for thirty-five years.

The Founding of The Goodrich Company. We will start our story, for such it is, at about six months after Doctor Goodrich had embarked in the rubber

business as a stockholder in the Hudson River Rubber Company of Hastings-on-the-Hudson. This was in 1867 at which time this rubber manufactory at Hastings had become financially embarrassed and appealed to him for funds. Having very little money himself, being just released from Army service where he had held the rank of Chief Surgeon in the Regular Engineers Battalion in the Union forces, he secured a loan of \$5000.00 from his real estate partner, Mr. J. P. Morris, who being opposed to further investment so long as the same personnel was in charge of the works, proposed that if Dr. Goodrich would buy out the stockholders and take charge of the manufacturing end himself, he, Morris, would advance the required capital. After some little delay the exchange was effected, Doctor Goodrich and Morris giving New York real estate to the stockholders for their collateral. Immediately, Dr. Goodrich became president and Mr. Morris secretary and treasurer, with the main office at 14 Park Place, New York City, the former remaining at the factory, taking complete charge of the business, while the latter looked after their real estate together with his law practice in New York, leaving the books of the Rubber Co., etc., in charge of an assistant. Unfortunately, the Hastings factory did not pay dividends, and after a year or so, the machinery being in bad shape and the rent being so burdensomely high, they decided to buy out a small rubber factory at Melrose, owned by Marshall Sifferts, who offered it at a low figure. The Melrose adventure, however, proved no less a failure than the former one, and in fact finances were running behind consistently. Dr. Goodrich soon realized that unless more capital was obtainable, it would be necessary to discontinue the business. Mr. Morris already had invested \$10,000.00 in this venture

and was, as may be imagined, not enthusiastic about sending more good money after bad.

Competition had largely been responsible for this condition, and was becoming so increasingly keen that the partners thought it advisable to re-locate in the virgin fields of the West, since their endeavors were yet too meager to face the then better established New England companies. After visiting other cities without receiving encouragement, Dr. Goodrich, upon learning that the citizens of Akron, Ohio, were trying to boom their town and were offering attractive inducements for factories, came and interviewed Colonel George T. Perkins, then president of the local Board of Trade. At a meeting of influential business men of Akron, it was decided that Colonel Perkins should visit the Melrose plant and tender a report to them relative to the desirability of bringing the struggling rubber company to this city.

Let us here mention for the benefit of aspiring salesmen, yes, for the benefit of those who have arrived at the point where they are known as such, that to emulate the optimism with which Dr. Goodrich "carried through" and the selling strategy which he displayed, is to succeed; for his job of selling was most thoroughly done. It is needless to dwell upon the point that the Colonel reported favorably, and we wish only to add that thereupon property was purchased along the north side of what is now known as Rubber Street, upon which was constructed the original two-story factory building in the winter and spring of 1871. It was into this small building that Dr. Goodrich brought his machinery from Melrose, and this move might well be termed, "The Dawn of the Rubber Age." Right here, it may be interesting to note that today twelve such structures

could be erected in one of our Mill and Calender Rooms alone, and there would still be space for people to pass in and out.

The original Akron firm was known as Goodrich, Tew & Co., the articles of co-partnership of which were drawn up on December 31, 1870. The members of the company were: Dr. Goodrich, Harvey W. Tew, Henry S. Sanderson, Robert Newland and David N. Marvin, the first three of which were active in the business. Mr. Tew was a brother-in-law of Dr. Goodrich, having married his sister. Mr. Newland was an uncle of Mrs. Goodrich and Mr. Marvin, her brother. Who Mr. Sanderson was, we are uncertain, but he undoubtedly looked after the selling end of the new business. The first manufactured products were sold in May, 1871, which up to January 1, 1872, consisted largely of hose, billiard cushions and belting.

The new firm struggled along feebly until about September 1874, when the original partnership terminated and was succeeded by Goodrich & Co. This partnership consisted of Dr. B. F. Goodrich, Robert Newland and D. N. Marvin, into which, early in 1876, Benjamin T. Morgan and Henry F. Wheeler were admitted; Mr. Morgan purchasing the interest held in the firm by Mr. Newland and Mr. Marvin. The former occupied the position of office manager for some time and the latter that of salesman, he being at first, particularly successful in securing orders for White Anchor Fire Hose, of which the company made a specialty.

The early struggles to finance the company were, however, bitter and discouraging, for the local people had little confidence in a successful future for rubber products. Dark and gloomy was the outlook for Dr. Goodrich and his associates, for a collapse seemed almost

inevitable, since the credit of the company was at an extremely low ebb, but after every other man of standing and wealth in Akron had refused financial aid, the Doctor's optimism and persistence finally succeeded in interesting Mr. George W. Crouse, who he convinced of the great future possibilities in such a concern, and happily, an arrangement was entered into whereby Mr. Crouse agreed to assist the firm financially. This timely assistance, we might add, provided the means whereby the Goodrich Company made its start toward progress and prosperity, and enabled the consummation of a reorganization scheme which Doctor Goodrich believed would furnish the needed man-power for the operation of the plant on a successful basis. Needless to say, the wisdom of his plans for expansion has since been amply proven.

As part of the new scheme of organization, Mr. Alanson Work, father of the present chief executive, Mr. B. G. Work, was engaged on January 1, 1879, as superintendent. He was a man of indomitable will and fertile brain, and his work of reconstruction, ably backed by Doctor Goodrich, proved the selection a wise one. On May 1, 1880, The B. F. Goodrich Company applied for incorporation, and the charter was granted on May 10, by the state of Ohio for a capital stock fixed at one hundred thousand dollars. The incorporators were: B. F. Goodrich, G. T. Perkins, G. W. Crouse, Alanson Work, and R. P. Marvin, Jr., all of whom met at the Bank of Akron on June 16, 1880, and adopted the constitution and by-laws. These five constituted the first board of directors with Mr. Goodrich as President, Mr. Work as Vice-President and Superintendent, and Mr. Perkins, Secretary and Treasurer. Fifty-five people were employed in the factory at this time, among whom was Mr. Frank H. Mason, who later became an

official of the company and for many years after, very actively participated in its upbuilding.

Early Trials and Growth of the Company. The unbounded faith of Dr. Goodrich in the future of "rubber" and his ability to inspire others with a belief in himself, if not in his venture, had held the organization together and kept the factory going until the business, itself, had demonstrated its own possibilities. It was then found necessary to divide the responsibility, by relieving the Doctor of active participation in the factory management. Mr. Work, who was elected to the position of superintendent, displayed remarkable organization ability, and to his energy and application is ascribed a large measure of the success with which the new company was rewarded. Oftentimes, he was found at his desk at two A. M., so great was the demand on his time of the managership of this now established and growing industry. But this intensive application to the job so sapped Mr. Work's vitality, that he fell a victim of typhoid malaria, from which he died on October 27, 1881, at the age of thirty-nine, after serving the company less than eighteen months. This unexpected and premature death of Mr. Work again upset the organization, but it was rearranged by Mrs. Etta W. Work, his wife, being elected as director in her husband's stead, and G. W. Crouse being elected Vice-President. Dr. Goodrich expressed his willingness, and was re-elected to take upon himself the duties of Superintendent in addition to those of President.

Following the incorporation of The B. F. Goodrich Company in 1880, it was decided to adopt a system of correspondence for the soliciting of business and this method, proving very successful from the start, justified

expectations. The entire management of this mail campaign was placed in the hands of H. C. Corson, a New York man who had been highly recommended as an expert stenographer, having been engaged in newspaper and court work for many years. He began his duties in February, 1881, and thus was launched a plan which has been continued to this day as an important factor in our selling policies. Although he had no experience in mercantile work, Mr. Corson's ready wit and fertile mind proved the selection a wise one, for he immediately composed various form letters to the trade, as a result of which a considerable increase in business developed. These letters were lithographed in the several handwritings of the clerks, names and addresses being later filled in by the latter as required, typewriters, addressing machines, etc., not having come into general use. Beginning with this correspondence system, for three or four years, the entire selling force consisted of the office correspondents, numbering from five to seven, among whom came in February 4, 1884, Mr. A. J. Wills, still actively engaged in sales work for the company.

In 1884, Colonel Perkins, who had previously served as both Secretary and Treasurer, was elected Treasurer, and Mr. Corson, the chief correspondent, was made Secretary. The personnel of the board of directors remained the same until June, 1886, when Mrs. Work resigned and T. A. Bell of Trenton, N. J., was elected in her place. In October, 1886, Mr. Marvin resigned from the board and James F. Brook was elected to fill his place. Messrs. Bell and Brook were at that time the heads of two rubber companies in Trenton, N. J., and were made nominal stockholders in this company in view of a probable merger which the Doctor had planned,

but which, after all, was never consummated. In November, 1887, Messrs. Brook and Bell resigned from the board and Messrs. F. H. Mason and H. C. Corson elected in their stead.

The untimely death of Mr. Work had indeed been a severe blow to the company, but Dr. Goodrich had, fortunately, then been able to take up the superintendent's duties as well as his own. The task, however, of guiding the destinies of the corporation, as President, together with supervising and managing the manufacture of the product, proved too great a strain for the man who had been struggling against ill-health for years, and so caused his death in 1888. Although taken away in the prime of life, just as his dreams were becoming realities, he had, nevertheless, done his work so well, planned the future so definitely, and so imbued his colleagues with the spirit of progress through hard work and fair dealings, that his departure, although felt keenly, was not a permanent impediment to the company's growth. In other words, Dr. Goodrich had lived for The B. F. Goodrich Company as such, and not for Benjamin F. Goodrich.

At a special meeting of the directors, held in August, 1888, Mrs. Mary M. Goodrich, widow of the founder of this great corporation, was elected a member of the Board in her husband's place. Colonel G. T. Perkins was elected President at this meeting and Mr. H. C. Corson, Secretary and Treasurer.

To hark backward a few years, the little birthplace of The B. F. Goodrich Company soon became inadequate, and the first addition—a three-story brick building with basement—was erected during the summer of 1881. Later, as the steam and power supply was found unable to cope with demands, another brick building, 52x100

feet, was built on the opposite side of the original building. This last contained a large steam engine, as well as housing the machine and carpenter shops, which were even then considered important adjuncts to the rubber factory. The additional power that this new equipment gave made it possible to abandon hand operated vulcanizing presses in favor of the hydraulic type, this new equipment being completely installed by July, 1884.

It was in this latter year that the company purchased the property of the Summit Rubber Company, and two years later, at a meeting of the Board of Directors, two new buildings were authorized to be erected for the manufacture of hard rubber goods on what is now Factory Street. The Goodrich Hard Rubber Company was formed in 1888, and the land, buildings and stock of the hard rubber department were sold and transferred to the new company. In the fall of 1888, the first electric lighting plant was installed, and a two-story brick building added for general factory purposes. From this time on, buildings have been in process of construction most all the time, in fact, one of the principal discussions even today at each Directors' Meeting being the erection of new buildings to house the ever growing organization.

The first fireproof warehouse was built in 1897, which was the first steel structure on the Goodrich property. The following year the company purchased all the rights, titles, and patents of the Palmer Pneumatic Tire Company, and erected a building properly fitted with machinery necessary to manufacture this new item. November 21, 1898, was an epoch-making date with the company, for it was then that Mr. H. E. Raymond was engaged and began his duties as Sales Manager of the Tire Department. Mr. Raymond had been

Vice-President of the Sterling Bicycle Company, and the position as Chairman on the Racing Board of the League of American Wheelmen, which he had held so long, had given him a broad acquaintance among bicycle manufacturers, dealers, and riders, which particularly fitted him for the managership of the new department. When Mr. H. C. Corson retired in January, 1902, Mr. Raymond was appointed General Sales Manager, which office he filled until 1916, when Mr. W. O. Rutherford was appointed.

Part of our present five-story administrative building was constructed in 1907, and directly thereafter we began wrecking all the old buildings on the north side of Rubber Street, erecting on their site the large six-story modern factory building now known as Building No. 27. In late years we have grown by leaps and bounds and even at the present time many changes and improvements are being made. In fact, by the purchase of the Diamond, and the immense additions which have been made to the original one small building, we have, by healthy growth, become the largest rubber factory in the world without exception.

Brief Historical Sketch of the Diamond Rubber Company. The removal of the Diamond Match Company to Barberton left vacant the buildings occupied in Akron, and in 1894, Mr. Ohio C. Barber, then President of the Diamond Match Company, with his associates incorporated the Sherbondy Rubber Company, whose home was to be the discarded plant of the match company, where they were to manufacture bicycle tires and drug sundries. In 1896 Mr. Barber took a more active interest in the company and the name was

changed to the Diamond Rubber Company, at which time they began to make auto tires.

Three years later, Mr. A. H. Noah entered the company and was made secretary and treasurer. From that time and until the Diamond Company became a part of the Goodrich Company, Mr. Noah continued as treasurer of that corporation. In the early part of 1898 the capital of the Diamond Rubber Company was increased and Messrs. F. A. and W. B. Hardy, W. B. Miller and A. H. Marks became associated with and assumed active management of the company. The following year the company secured the United States patent rights for the Marks Reclaiming Process and a Reclaiming plant was proposed. Subsequently, in 1900, land lying south of Akron was purchased and a plant started for the purpose of reclaiming scrap, as well as for the washing of crude rubber preparatory to manufacture. Four years later, the Diamond jointly with the Goodrich Company incorporated a new firm, known as the Alkali Rubber Company, for the purpose of carrying on the reclaiming processes under the Marks patent. Subsequently, the reclaiming business of the Diamond was transferred to the Alkali Rubber Company, who had erected a plant adjoining the Diamond plant.

In 1907, the Bryant Steel Wheel and Rim Company, with a plant in Columbus, Ohio, was purchased by the Diamond and this same year they began to manufacture insulated wire and cable. Two years later, the manufacture of rubber boots and shoes, and in 1911 the manufacture of rubber clothing was begun. The following year in March, The B. F. Goodrich Company bought outright the Diamond Rubber Company for the sum of forty-five million dollars. Since that time we have passed through a period of reconstruction in merging

together two such splendid organizations as had each of the companies at the time of purchase. At that time, it became necessary to dissolve both old companies, and so we were reincorporated as The B. F. Goodrich Company of New York in 1912, and through this incorporation were able to do business in all of the eastern states; Louisiana, Mississippi, Alabama in the south; Montana, North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Illinois, Indiana, and Kentucky. At the same time we were incorporated as The B. F. Goodrich Rubber Company of Michigan, under which incorporation we were able to do business in the western states, including Missouri, Tennessee, and Arkansas, but because of the branch divisions there were some boundary states in which we did business both ways, such as Tennessee, Iowa, Illinois, etc. We also maintained a Diamond corporation in order to retain the benefits of the good will arising from the use of this old established name.

At a later date it was decided that marketing the products of The B. F. Goodrich Company could be better accomplished through organizations with an entity distinct from the manufacturing end. Accordingly, it was so arranged for; The B. F. Goodrich Rubber Company and the Diamond Rubber Company Incorporated assuming the entire sales responsibility in the United States; the one handling Goodrich brands exclusively, the other marketing Diamond brands, each having its own stockholders and officers, drawn from the organization of the parent company. This plan was put into effect during the year 1917 and its success has since justified the idea which prompted it. More about the workings of this plan will be told in a chapter to follow.

Goodrich Family Tree. That all members of our organization may come to know the genealogy of the Goodrich institution, and thereby feel more intimately a member of the family, rather than merely a newcomer, we list below the names of those who have held the various higher official positions since the beginning of the Goodrich Company in 1880:

Presidents

B. F. GOODRICH	1880 to 1888
G. T. PERKINS	1888 to 1907
B. G. WORK	1907 to

Vice-Presidents

ALANSON WORK	1880 to 1881
G. W. CROUSE	1882 to 1892
H. C. CORSON	1892 to 1902
B. G. WORK	1902 to 1907
F. H. MASON	1907 to 1912
A. H. MARKS	1912 to Nov., 1917
H. E. RAYMOND	1915 to
E. C. SHAW	1915 to

2nd Vice-Presidents

G. W. CROUSE	1906
H. E. RAYMOND	1907 to 1915
E. C. SHAW	1912 to 1915
Abolished	
C. B. Raymond	1917 to
W. A. MEANS	1917 to
H. K. RAYMOND	1918 to
W. O. RUTHERFORD	1918 to
A. B. JONES	1918 to
W. C. GEER	1918 to

THE GROWTH OF AN IDEAL

Secretaries

G. T. PERKINS	1880 to 1884
H. C. CORSON	1884 to 1890
R. P. MARVIN	1890 to 1906
C. B. RAYMOND	1906 to 1917
G. E. NORWOOD	1917 to July, 1917
F. C. VAN CLEEF	1917 to

Assistant Secretaries

W. A. FOLGER	1900 to 1905
C. B. RAYMOND	1905 to 1906
W. A. FOLGER	1906 to 1910
W. A. MEANS	1910 to 1914
G. E. NORWOOD	1915 to 1917

Treasurers

G. T. PERKINS	1880 to 1888
H. C. CORSON	1888 to 1894
W. A. FOLGER	1894 to 1910
W. A. MEANS	1910 to 1917
L. D. BROWN	1917 to

Assistant Treasurers

W. A. MEANS	1900 to 1910
C. B. RAYMOND	1910 to 1912
G. E. NORWOOD	1912 to 1916
J. C. LAWRENCE	1916 to

Chairman, Board of Directors

G. T. PERKINS	1907 to 1912
F. A. HARDY	1912 to 1917
Office abolished	1917

General Manager of Works

F. H. MASON 1893 to 1907

E. C. SHAW 1907 to 1917

Office abolished

Supplanted by Committee

General Superintendents

ALANSON WORK 1880 to 1881

F. H. MASON 1882 to 1893

B. G. WORK 1893 to 1902

E. C. SHAW 1902 to 1907

C. C. GOODRICH 1907 to July 1, 1907

H. E. JOY 1907 to 1917

Office abolished

Supplanted by Committee

The various members of the Board of Directors elected and serving since January, 1889, follow:

1889 to 1901

G. T. Perkins

G. W. Crouse

F. H. Mason

R. P. Marvin, Jr.

H. C. Corson

1901

G. T. Perkins

G. W. Crouse

H. C. Corson

F. H. Mason

R. P. Marvin

B. G. Work

W. A. Folger

1902 to 1907

G. T. Perkins

G. W. Crouse

F. H. Mason

B. G. Work

R. P. Marvin

W. A. Folger

C. C. Goodrich

THE GROWTH OF AN IDEAL

1907

G. T. Perkins
F. H. Mason
C. C. Goodrich

G. W. Crouse
B. G. Work
E. C. Shaw

H. E. Raymond

1912

B. G. Work
A. H. Marks
F. H. Mason
O. C. Barber
H. E. Raymond
D. M. Goodrich
A. H. Wiggin
Phillip Lehman

A. H. Noah
C. B. Raymond
E. C. Shaw
W. A. Means
G. E. Norwood
C. C. Goodrich
Henry Goldman
F. A. Hardy

1915

Reduced from 16 to 14

B. G. Work
A. H. Marks
F. H. Mason
H. E. Raymond
D. M. Goodrich
F. A. Hardy
A. H. Wiggin

A. H. Noah
C. B. Raymond
E. C. Shaw
W. A. Means
G. E. Norwood
C. C. Goodrich
Henry Goldman

1916

B. G. Work
A. H. Marks
F. H. Mason
H. E. Raymond
D. M. Goodrich
F. A. Hardy
A. H. Wiggin
H. E. Joy
H. K. Raymond

A. H. Noah
C. B. Raymond
E. C. Shaw
W. A. Means
G. E. Norwood
C. C. Goodrich
Henry Goldman
W. O. Rutherford
W. C. Geer

1918

C. C. Goodrich	H. E. Raymond
F. H. Mason	E. C. Shaw
W. A. Means	H. Hough
A. H. Noah	B. G. Work
L. D. Brown	A. H. Marks
W. C. Geer	Waddill Catchings
D. M. Goodrich	A. B. Jones
F. C. Van Cleef	H. K. Raymond
C. B. Raymond	W. O. Rutherford

Executive Committees

At the annual meeting in January, 1901, Article 12 of the Constitution and By-Laws was adopted, and which constituted an Executive Committee or Board of Control, to comprise which the following were elected:

G. T. Perkins, President	F. H. Mason
B. G. Work	H. C. Corson

1902

G. T. Perkins, President	F. H. Mason
B. G. Work	H. E. Raymond
E. C. Shaw	

1908 to 1912

B. G. Work, President	G. T. Perkins
F. H. Mason	H. E. Raymond
E. C. Shaw	

1912 to 1917

B. G. Work, President	F. A. Hardy
A. H. Marks	F. H. Mason
H. E. Raymond	E. C. Shaw
C. B. Raymond	

1918

B. G. Work

H. E. Raymond

A. B. Jones

H. K. Raymond

W. C. Geer

W. O. Rutherford

L. D. Brown

The Goodrich Line. Starting with the manufacture of "White Anchor" brand hose in the tiny little building on Rubber Street, we have added article after article to our line of manufactured goods until today we make approximately 35,000 different rubber products. As these various items entered our list they naturally grouped themselves into more or less definite classes based primarily on their field of usefulness and their method of construction. So we have as a result, ten major divisions, including Pneumatic Tires, Solid Tires, Tire Accessories, Repair Materials, Automobile Rims and Wheels, Mechanical Rubber Goods, Footwear, Clothing, Insulated Wire, Rubber Sundries and Hard Rubber.

Classification of Products

PNEUMATIC TIRES:

Automobile—Fabric, Goodrich and Diamond Brands.
Goodrich Silvertowns.

Bicycle—Goodrich, Diamond and Special Brands;
Single Tube, Clincher and Palmer Webb constructions.

Motorcycle—Goodrich and Diamond Brands.

Inner Tubes—Automobile, Motorcycle and Bicycle;
Goodrich and Diamond Brands.

Aeroplane—Goodrich Brand, only.

SOLID TIRES:

Motor Truck—Regular and De Luxe Treads, both Demountable and Pressed-On types; Goodrich Brand only.

Carriage—Goodrich and Diamond Brands; Internal Wire, Cushion and Side Wire types.

Industrial—Goodrich Brand only.

TIRE ACCESSORIES AND REPAIR MATERIALS:*

Automobile—Goodrich and Diamond Brands.

Bicycle—Goodrich and Diamond Brands.

Motorcycle—Goodrich and Diamond Brands.

AUTOMOBILE RIMS AND WHEELS:

Pleasure Vehicles—All Types of Rims and all sizes of wheels; Goodrich only.

MECHANICAL GOODS:

Belting—Goodrich and Diamond Brands of Transmission, Conveyor, and Elevator; all weights, dimensions and types.

Hose—Goodrich, Diamond and Special Brands for all purposes, built in Wrapped Duck, Braided Reel, and Woven constructions, or in combination of any two, including large and small tubings.

Molded Goods—Goodrich and Diamond Brands of all standard goods, produced by means of presses or lathes; Special Articles.

Packing—Goodrich, Diamond and Special Brands of Sheet, Hydraulic, Spiral, Tubular, etc., as well as Special Packings.

*Repair Materials in bulk for garage use and in cartons for individual use; Goodrich and Diamond Brands.

Floor Coverings—Goodrich and Diamond Brands of Mats, Matting and Tiling of all types, construction, and colors.

Miscellaneous—Goodrich and Diamond Brands of Thread, Tape, Deckle Straps, Engraving Gum, Sponge Rubber, Diaphragms, Stoppers, etc. Tex-tan Soles, Goodrich.

FOOTWEAR:

Boots—Goodrich Hipress and Straight-Line Brands.

Heavy Shoes—Goodrich Hipress and Straight-Line Brands.

Light Rubbers—Goodrich Straight-Line Brand.

Tennis and Sport Shoes—Goodrich Brands.

CLOTHING:

Single Texture—Goodrich Brands of men's, women's and children's coats and capes.

Double Texture—Goodrich Brands of men's, women's and children's coats and capes.

Rubber Surface—Goodrich Brands of Firemen's, Policemen's and Workmen's coats.

Special Items—Goodrich Auto Robes, Poncho Blankets, Acid Suits, Garage Aprons, etc.

INSULATED WIRE:

Building Wire and Cable—Goodrich Brands of Braided and Encased sizes of all styles.

Auto Cables—Goodrich Brands of Starting, Lighting, etc., of all types and sizes.

Mining Wire and Cables—Goodrich Brands of standard sizes and types.

Specification Wires and Cables—Goodrich Brands made according to customer's requirements.

Miscellaneous Wires and Cables—Goodrich Brands of all types and sizes for special uses.

RUBBER SUNDRIES:

Drug Sundries—Goodrich and Special Brands of Hot Water Bottles, Syringes, Ice Caps, and all other standard articles.

Surgical Sundries—Goodrich and Special Brands of Tubes, Tourniquets, Operating Cushions, and all standard medical supplies.

Dental Sundries—Goodrich and Special Brands of Dental Dam, Plaster Bowls, and all other rubber appliances.

Stationers Supplies—Goodrich and Special Brands of Bands, Erasers, etc.

Athletic Rubber Sundries—Goodrich or Special Brands of Tennis Balls, Golf Balls, Hand Balls, Body Protectors, etc.

Miscellaneous Rubber Sundries—Goodrich and Special Brands of Respirators, Gas Engine Bags, Tank Bulbs, Crutch and Chair Tips, etc.

Rubber Toys—

HARD RUBBER:

Battery Jars and Jar Accessories—For use on Automobiles, Trains, Submarines, etc.

Tubing—Goodrich Brands, one and two hole for standard uses.

Rods—Goodrich Brands of all standard sizes and dimensions.

Sheets—Goodrich Brands of all standard dimensions.

Miscellaneous—Special Brands of parts for various devices, machines, etc., as well as numerous articles such as pipe stems, fountain pen barrels, etc.

Conclusion. While most of us in this day and age of large enterprise, are in a general way more or less familiar with the fact that in any well balanced factory organization there must be a man or group of men planning and directing, there is usually considerable mystery or lack of comprehension, if you will, concerning the way in which these plans are carried out in so huge an organization as must necessarily be required for the operation of a plant the size of the Goodrich factory. We see the buildings, the immensity of which we may merely marvel at; we see the machinery and may sense its purposes; but we cannot understand how it is that each employee knows exactly what to do and how one department dovetails into the others.

The problems of distribution and sale of the products of such a plant, likewise, also prompt a confusing train of thought to many. The "Factory Branch" system of sales has grown so rapidly during the past few years that many young men just entering upon their business experience find the whole scheme almost unintelligible.

As a consequence, the following chapters of this book have been prepared to explain briefly the underlying principles governing the operation of the Goodrich Factory and its Branches. The explanation has not, however, been made in minutia but in outline only, leaving the finer details to the reader's imagination and further study.

CHAPTER TWO

The Factory

THE MOVING SPIRIT. Some months ago, an elderly gentleman and his wife stopped off in Akron, for the sole purpose of going through the Goodrich factories, and the writer was given the privilege of accompanying them on their trip. They were an interesting couple—interesting and unusual. This gentleman had retired from business five or six years before, and with his wife had started out to see the world, to visit the places they had read of, and all their life had dreamed of visiting. The woman did most of the talking; nothing escaped her; with childish curiosity, she asked questions constantly, intelligent questions. The man was extremely quiet and as I thought at first, diffident, though later I discovered that his apparent unobtrusiveness was the reserve of intelligent observation.

After returning from our factory trip, which had taken nearly four hours, it occurred to me that these elderly people might appreciate a rest before returning to the hotel; so we went into the company dining room for a talk and a pot of tea. As we sat down, the old gentleman turned and looking out of the window at the immense factory buildings, put his hand on my arm and said: "Young man, this is the most wonderful sight between Niagara Falls and the Panama Canal." "But," he continued, "the most wonderful part of it is hidden. Your buildings are beyond description, your machinery is amazing, and the facts and figures you have given us

are almost unbelievable. But these things do not make a factory. The real factory is the 'spirit' of the organization—that indefinable 'something' which makes the wheels go round—that composite mind, made up of the thoughts and efforts of its thousands of men, which makes all other things possible. In this plant, every man who has ever been connected with it, has left a monument for himself. I shall never forget this day and the thoughts this trip has brought to my mind."

But this "influence" which our thoughtful visitor had by his keen perception been able to sense as underlying the impressive bustle and noise of the factory, is a thing undefinable. It cannot be described, but must be felt. We, therefore, cannot hope in this book to tell how or why the Goodrich factory has grown so great, but can only admit that out of the moving of this "spirit," whatever it is, grows that which has been responsible for this remarkable factory development. We can but mention that here is such and such an arrangement of buildings; departments, classified thus and so; an organization operating as follows. We must confine ourselves to mere descriptions of the obvious.

Capital and Labor. The two inseparable divisions of any successful manufacturing organization are its capital and labor. Capital, representing the investment by which business may be carried on, labor representing the actual effort by which the product is turned out, and these two elements are so interwoven in their dependency upon each other that it is almost impossible to define them separately.

Capital gets its returns through dividends from profits made by the company as a whole. Labor gets its returns through its earnings. Capital takes the

risk of loss, while labor takes the risk of over-supply. Money invested is supplied by the men who own the stock of the company while labor is supplied by men who actually operate the company, from the Board of Directors and the President on down the scale of responsibility. The B. F. Goodrich Company represents the combined power of more than twenty thousand laborers and more than \$85,000,000.00 capital.

General Management. The financial power behind The B. F. Goodrich Company is its stockholders. If there were only two or three instead of several thousand, it would be possible for them to personally supervise the business. As it is, however, it would be impossible for each to have a voice in the actual direction of the company affairs; so, by vote at each annual stockholders' meeting, a Board of Directors is elected, and this Board, after having chosen a Chairman, elects a President, Vice-Presidents, 2nd Vice-Presidents, a Secretary and Treasurer, and these officers assume actual control of the company for the stockholders.

This direct control is through an Executive Committee made up of the officers of the company which have been elected by the Board of Directors.

The affairs of the Company in every department are under the active supervision of this Committee of Executives, each member of which is directly concerned with some one phase of the business, giving to it the major part of his time and study. By way of illustration, we may mention that there are eight major divisions of managerial responsibility, over each of which is a member of the Executive Committee. These are Development, Production, Plant Administration, Sales,

Advertising, Accounting, Treasury and Legal Departments. Formed into a consulting board, each member of the Executive Committee is, however, responsible in a lesser way, for the operation of every phase of the business.



CHAPTER THREE

The Factory Organization

INTRODUCTION. Manufacturing, not unlike many other institutions of man, industrial or social, which in these strenuous times have become so important a part of national life, has its roots planted deep in the almost hidden, semimythical past. Dreamers might claim that manufacturing had its inception at the time when the first man made his stone ax with which to protect himself and make war upon the beasts of the field. But, regardless of this, it is surely true that manufactured articles of one sort or another played an important part in the upbuilding of the commercial supremacy of the ancient cities of Tyre and Sidon as early as 1510 B. C.

While the exact date of manufacturing, as we understand it, where men are banded together for the purpose of production on an extended scale, is impossible of exact determination, there have been unearthed records of economic conditions and influences which give us reason to believe that its real origin dates from the beginning of the influx of people into the cities during the Twelfth Century. Prior to this time, following the decay of the Roman Empire, on the European continent, there were but two classes of people, Barons or landowners, and peasants, and hence there was little or no industry outside of agricultural pursuits. Beginning, however, with the Twelfth Century, a change of vast and potent influence for future civilization took

place; people began to desire more than the bare necessities of life, and reached out for greater luxury in the form of clothing, furnishings, food, etc. Such demands could not be met by casual and unskilled labor, and consequently the more deft among the rural people began to congregate in villages, where they commenced to practice the crafts, carrying on the manufacture by hand of silk and woolen fabrics, cutlery, pottery, armor, weapons, etc.

The idea of association or co-operation in business grew, finally culminating in the organization of Trade Guilds for the protection and expansion of Commerce, until by the middle of the Fourteenth Century, world trade became a fact and manufacturing received the impetus which it needed. But compare, if you will, even the old-fashioned miller of the Nineteenth Century, who took toll or tithes in payment for the grist he ground, with the modern manufacturer turning out yearly a hundred million dollars' worth of merchandise. Compare the old water wheel hitched by shafting to a few simple machines with the modern forty thousand horse-power turbine, hitched by electricity to thousands of machines, each operated by a skilled mechanic, and it will not take long for us to conclude that development, not only in the United States but throughout most of the world has been many times more rapid and more spectacular during that period following the Civil War to the beginning of the Great World War than in all the centuries preceding.

The reason for this we hardly need inquire; for almost anyone will know that the one great factor in this advancement has been the consummation of almost universal transportation. In other words, the railroad, the steamship, and the automobile bringing into contact

all peoples of the globe, thereby increases general education, and thus a desire for the finer things of life. Along with this, it might be said, has operated other economic laws, gradually building up the business of the more progressive and more soundly established manufacturing concerns, until today they have reached proportions and scope, requiring elaborate and co-related committee forms of management, each member of which has infinitely more responsibility than had the small factory general superintendent of two generations ago.

Thus in the operation of our own factory, we find that the management of the work to be supervised, requires a system of committees and department heads, as outlined in the previous chapters of this volume, so large that it rivals the government of a fair-sized city. A minute description of the responsibilities of the various Executive committee members, and the functions of the departments which they supervise, as previously outlined, would entail such a volume of information that the effect would be to confuse rather than to clarify. Thus would exactness defeat our purpose and consequently be impractical in a book of this kind. Each department has its minor subdivisions of duties and responsibilities concerning which a knowledge of would be of little value at this time. Some are so closely connected that their responsibility overlaps, while in other instances, their interests are so diverse that their only connection is through the Executive Committee in Session.

For our purpose we may say that all factory operations come under five heads, viz., (1) Executive, (2) Development, (3) Manufacturing, (4) Sales, and (5) Treasury, the functions of each of which are vitally necessary to the carrying on of the business and whose duties in a broad sense, we should become entirely

familiar with. In a nut shell, the Executive Division of the Company, through the four other divisions, manufactures and markets the company's products, and each has many subdivisions to assist in carrying out its purposes. The Development Division designs the products, and the Manufacturing Division produces them, the Sales Division disposes of them, and the Treasury Division collects accounts and distributes all funds. Each depends upon the others, and each studies to some extent the problems of all divisions. There can be no hard and fast rule for subdividing the duties and problems, and all divisions must work together for one aim; which is Goodrich.

The Executive. The President, the Board of Directors, and the Officers of the Company, form the Executive Division. Manifestly, it is the duty of these men to see that the plant is kept in operation, that goods are manufactured and marketed in such a way as to insure profit for the stockholders, that we give continuous employment to labor and sustain the good reputation of the company as a whole. While the Executive authority of the company is vested in Officers and Executive Committee as just described, it is a physical impossibility for these officers and Committee members, to individually supervise the activities of the Departments under them. It has, for this reason, become necessary, then, to surround each of these men with a corps of assistants built into an organization resembling somewhat the organization of an army.


By way of illustration: The President of the United States is the Commander-in-Chief of the Army, but it is impossible for him, however, to personally direct, or even understand, all of the activities of the army, and,

as a result, he has under him members of the Cabinet, certain other officials of the government, and a War College made up of experts in army affairs. Each member of the War College being an expert in his particular line, the whole group together is making a constant study of all conditions. Working under this group of men through the President, we have the various grades of officers, each one responsible for his group of men to the officer next highest in rank. This responsibility is carried on down clear to the individual private whose connection with the President is remote, but whose action nevertheless is controlled almost entirely by the machinery which the President sets in motion.

From the preceding paragraph, the reader can perhaps parallel the organization of the army and the organization of The B. F. Goodrich Company. The people of the United States who choose the Electoral College, which in turn elects the President of the United States, correspond to our Stockholders who have elected a president through their Board of Directors. The President's Cabinet and other officials, including the War College, correspond in the organization of The B. F. Goodrich Rubber Company to the Executive Committee and other officers. From this point on also our organization almost exactly parallels that of the army since each division of the business has its General, i. e., Manager under whom are a number of Assistant Managers, Foremen, and Department Heads who are responsible to the Manager for the detailed operations of their Department, just as majors, captains, lieutenants, sergeants, etc., are responsible for the conduct of the army's business to those above them in rank.

For instance, the Advertising Department is under the jurisdiction of one man known as the "Advertising

Manager." He has under him and his immediate Assistant, a Chief Copywriter whose duty it is to see that all advertising copy is prepared. This one in turn has under him a number of departments—each one headed by one man and interested in the production of the copy for some particular product such as Tires, Mechanical Goods, Footwear, or Clothing. This represents only one of the divisions for which the Advertising Manager is responsible but is typical of all. Thus, he might be named a General, and the Chief Copywriter might be termed a Colonel. We might call the Heads of the various copy divisions Captains and their assistants Lieutenants. The copywriters themselves would represent the privates in their various companies.

Specifically, the Executive Division effects its work through the four divisions given in a previous paragraph, viz., Development, Manufacturing, Sales, and Treasury. Naturally, each of these has its own executive organization which carries its authority through the work of every man in every department of the division. 

Development. Everybody understands in a general way what is meant by development, yet very often we are asked to define specifically some of the duties of this division of a rubber factory and therefore we will mention that this work is divided under four heads, (1) Chemical Laboratories, (2) Physical Laboratories, (3) Compounding Division, and (4) Experimental Division, which are charged with the duty of originating not only compounds but designs, and sustaining the quality of the materials used in all goods manufactured. To this end, it studies the markets to determine public wants and needs; it studies materials and attempts to supply the people's needs; it designs processes; it is charged with the improve-

ment of established lines in both manufacturing methods, quality, and costs of the goods themselves. In short, it is the duty of this division to keep our product and methods not only up-to-date, but in advance of those of competing concerns.

Few industries require more constant study along these lines than does the manufacture of rubber goods, for we are continually facing new problems and old problems which must have new answers. Thus, this department of The B. F. Goodrich Company is one of the most important to the business. Its Chemical Division tests and grades all materials, such as, rubber pigments, fabrics, etc., which enter into the composition of our finished product, abstracts all technical literature upon the subject of rubber manufacture, and in addition makes a constant study from a chemical angle, of all those articles which we are now building, and of new products for which we may have a possible market. This division is, in short, responsible for the entire chemical development of the corporation.

The Physical Laboratories Division utilizes the findings of the Chemical Division, tests all finished products, and conducts a constant campaign of physical research work in an effort to determine the exact properties which each finished article must possess. In addition, this division makes up and tests experimental samples of new articles to be made, and gathers certain data concerning the specifications of rubber products at large. The Compounding Division studies out new compounds for old articles of manufacture, and formulates new compounds for additional articles which are proposed, and has general supervision over all recipe records and all compounding work. The Experimental

Division is charged with the devising of new machinery and new methods of factory procedure.

To explain the workings of these divisions more fully, by way of illustration, let us presume that the Sales Department has received a request from some large railroad for a steam hose to be made under a new specification. This request goes through certain channels via the Superintendent of our Hose Department to the Supervisor of Development, who requests his force to formulate a compound. This they do, in turn passing their recipe on to the Physical Laboratories Division, where a sample is constructed in the miniature factory operated by this division. This sample, when complete, is subjected to all manner of tests. Sometimes when all of this has been accomplished, it is found that certain compounding ingredients do not produce the results expected of them. Accordingly, the Director of Chemical Laboratories is asked to run a test and thereby determine the causes for the failure, which he does, in turn sending a copy of his chemists' experimental analyses back to the Compounding Division. This record shows the compounders the corrections necessary to make the product perfect.

Even yet, before the factory can proceed to manufacture, after making a workable sample which passes all requirements, and results in an order, it may be found that present factory equipment will not produce such a hose at a profit. Consequently the Experimental Division must devise new ways of construction.

Manufacturing. The functions of the Manufacturing Division, which takes its leads from the Development Division, and receives its authority from the Executive Division, should be well known, for it can be

responsible for but one thing, and that is, production of goods in quantity as determined by the Executive, and in qualities as determined by the Development Division. The actual manufacturing of the Goodrich output is under the supervision of a Director of Production. The work is carried on through the aid of Assistant Superintendents, each having charge of one or more divisions of the factory. Each of these Assistant Superintendents has under him a Department Manager for each division of his work and each Department Manager has also an assistant.

It is hardly possible to give a description of the operation of each one of the departments of the Manufacturing division of the company without going into a discussion of the goods manufactured, and inasmuch as all this is covered fully in other books of this series, we omit the description. In brief, the Manufacturing Division compounds the stocks, actually manufactures the goods and prepares the finished article for shipment. It has one other duty, which is connected in a way with the development division. It designs new machinery, improvements on old machinery, and keeps the equipment in working condition.

Sales. The Sales Division is the link between the factory and the consumer, in fact, the voice and messenger of the factory to the consumer. It maintains Branches, a Service Department, Advertising Department, Stock Distribution Ware Houses and other divisions which modern methods of sales and distribution make necessary. In brief, this Division "sells the goods." While this expression covers everything, it covers it so broadly that it hides the intricacies of the modern selling organization. The problems of selling are recent when

compared with the problems of manufacture, for the modern Sales Department of the big organizations is comparatively new; which is to say that formerly, when products of manufacture were distributed over a small area, highly developed selling organizations were unnecessary. In fact we in the beginning sold our products principally by mail. As the area of distribution increased, however, a Sales Department was gradually developed, until today, with distribution of our product having spread to every part of the world, we have a selling organization whose problems equal, if they do not surpass, those of the manufacturing division.

The first task of this Sales Department is to locate new channels of trade for old articles and to create new channels for new articles. It then seeks to convince the public of the superiority of Goodrich goods, and, as a last step in its duties, actually takes the order. The first step is carried out through the aid of the Trade Extension and Research Division, special studies, salesmen's reports and observations of general conditions. The second problem is one of advertising by which we mean publicity such as is carried on through newspapers, magazines, billboards, and other mediums as decided upon by our advertising department. This work also extends itself through personal calls of salesmen, quality of the goods and all of the other angles of publicity which we may use to make an impression on the mind of the buying public. The actual taking of the order and delivery of goods involves a large sales force and distribution scheme covering the entire world, because next to being on the spot when the order is to be had, comes the problem of being able to make delivery in a specified time.

The Treasury is a division of business whose functions are generally so well known, since the very word which names it almost describes its duties, that it hardly seems necessary for us to here outline its work further. And yet, general supervision of receipts and disbursements so often entails so much beyond the mere handling of the finances, that the average person often loses sight of its broader duties. The Goodrich Treasury, like the other divisions of our organization is also composed of co-related departments whose individual responsibilities are under the authority of its several heads, each of which is in turn responsible to the manager of the division, who is, of course, the Treasurer of the Company.

These departments include Accounts Receivable, Accounts Payable, Ledgers, Banking and Credits. The Treasury through its credit department comes into most intimate contact with the firm's customers and thus becomes a potent influence in building up that recognized asset of business, "good will." This division also, through the wisdom used in the supervision of expenditures, assures for the stockholders of the corporation commensurate returns upon their investment.



CHAPTER FOUR

The Branch

THE ORIGIN OF THE BRANCH IDEA. When the great-great grandfather of the present fathers "kept store," he was his own clerk, his own janitor and his own bookkeeper—if he kept books. If his great-great grandfather "kept store," he not only did all that the first mentioned great-great grandfather did, but in addition manufactured most of the articles he sold. If your great-great grandfather was a trader, he exchanged a darning needle for an egg, and the egg to someone else for something else. He traded a pair of boots for a shoat, a blanket for a load of corn, a sack of sugar for a cord of wood, a bag of tea for a side of bacon, a candlestick for a measure of lard. He was not in truth a merchant, but a clearing house for things others did not need, dealing in everything men of those days wanted from ornaments to necessities; taking in exchange for his wares almost anything offered. Even labor was exchanged in the neighborhood. There was little coin in circulation, because people did not need it and what actual money did come into their hands finally found its way to the tax collector.

This plan effectively met the requirements of the people so long as each community produced practically everything needed, but conditions changed, and it was, after a time, found that while one locality was best suited for the growing of wheat, another, situated near a falls, was better located for building a mill to grind

the wheat; hence, communities gradually specialized. Some built boots and harness; some grew grain and raised live stock; some built machinery; some made ornaments; some wove cloth and made clothing; while other sections became centers of education, art and science. Thus, each became known for that thing which it could do best and money became more the medium of exchange.

The storekeeper, following in the wake of the times, ceased to be merely a clearing house for local traders, and became instead the center of exchange between communities. He reached out into the surrounding districts and brought the things there produced into his own community giving in exchange those things produced at home. He became the official trader of his home town in its dealing with the rest of the world.

There was correspondingly also a change in the business of the miller, the saddle maker, the shoemaker, the blacksmith and the weaver; for, while previously these had always secured their market in their home community, under the new régime they found themselves producing more than the society in which they lived could use, and, as a result, the community was failing to produce certain other necessary goods. These embryo manufacturers gradually adjusted themselves to the changed conditions by making the storekeeper in some near by district their agent, accepting in exchange for their goods the things not produced at home. This was an awkward arrangement however, and credit eventually came into its place as a medium of exchange.

But even this plan of community exchange could be worked out only on a small scale. Travel on land and sea was often dangerous and always slow, and so expensive in many instances as to be prohibitive. The manufacturer's market, was, therefore, limited to a

comparatively small area, and something was needed to connect communities, making communication easier and transportation faster. Thus in time came the development of better roads, canals, steamboats, and finally railroads. Distances which had formerly taken days to cover were made in hours, and merchandise which would have taken the stage a week to deliver, might be ordered by telegraph and delivered within the same day. Where formerly a few communities located near each other represented a trading zone, the smallest village of today is placed in intimate touch with the whole world. The villager in Maine buys oranges from California, melons from New Jersey, tires from Akron, crude oil from Texas, shoes from Massachusetts, clothing from Chicago, and breakfast food from Battle Creek, and in return for these things feeds the world on Aroostook potatoes. His canneries supply fish to all people, and his hospitality has made his woods and rocky shores the playground of America.

In early times, the saddle maker talked personally with every man to whom he sold a saddle; later he was compelled to market his goods thru a dealer, never seeing the consumer, and as his market changed from the consumer to the dealer, he was compelled in the end to employ salesmen. Formerly when this manufacturer made a sale, his customer came after the goods, whereas under the new conditions he must deliver to the dealer. Other saddle makers reached out and the business became a competition of service. The dealer became impatient at any delay and so it was found necessary to establish agencies which carried the product in stock. As these agencies multiplied, competition also made them impatient at delays and the manufacturer was compelled to establish stock depots from which orders could be filled on short notice. As the markets

broadened, the people became impatient and where formerly delays of weeks were taken as a matter of course, a delay of hours will no longer be tolerated. In consequence the problem of distribution has become as great as the problems of manufacture.

Branch Houses. Thus with the establishment of these depots and agencies, grew the necessity for the organizations of men scattered over the whole country, who thoroughly understood the business; men who could devote their whole time to selling, men who acted as go-betweens from the manufacturers to the dealers—just as our great-great-grandfather acted as a go-between for his neighbors. These men constitute what today we are pleased to term our branch forces which working under the guidance of managers can be likened to a diplomatic force working under the guidance of the ambassador. In other words, business emissaries accredited to their branch city by the home office.

Any plan, however, involving branch-houses and branch organizations is so interwoven with the general scheme of business today that many large companies have not alone found it advisable to establish selling and distribution branches, but have also builded branch factories in different parts of the world, and indeed, even in various parts of the same countries. For the purpose of our study, however, we will ignore branch factories and confine ourselves to the discussion of selling and distributing organizations.

In reality, every retail store operates as a branch-house for each manufacturer who has made any of the goods which the store handles. In fact, any man or any concern, who or which handles an article between the time of its completion by the manufacturer and the time

of its entry into actual service, acts as a branch for the originator of that article. The modern commercial world, however, has learned to consider as branch houses, only those organizations which are operated or at least directed by the manufacturer. These are of four main types as follows, each having its own particular field of usefulness as later explained.

1. Local Agencies.
2. Service Depots.
3. Direct Factory Branches.
4. Selling Corporations.

The Local Agency. the earliest type of branch development, is the form usually first adopted by more or less embryonic business houses, and consists of the manufacturer granting to the wholesaler an exclusive right to sell his products in a certain well-defined territory. Such wholesale houses, usually handle a great many other allied articles, employ their own salesmen on the road, and maintain no connection with the manufacturer other than a sales contract. Some manufacturers, however, eliminate the wholesale house and make their agency contracts direct with the retail dealer which arrangement is in effect the same.

This plan of marketing thru direct agencies is most frequently used by manufacturers who are too small to maintain other methods of distribution such as tire companies, for instance, who follow the custom of establishing exclusive agencies for certain states or sections of states among supply houses who are handling other accessories on the jobbing basis. The direct agency is also used by manufacturers making articles which are used in a limited field, or where the product manufactured represents a unit so small that to maintain

a highly specialized selling and distributing plan would not be practical, such as small automobile accessories, like spark plugs, lamps, horns, etc.

This agency plan is also frequently adopted by manufacturers in connection with other selling arrangements as illustrated by certain automobile manufacturers who maintaining factory branches in some of the larger cities such as Chicago, Boston and New York, from which they establish agencies throughout the surrounding territory to whom are given exclusive sales rights in a specified area and the privilege of contracting with the smaller dealers as sub-agents. Thus it will be seen that a combination of two of the main types of branches may be used. Diamond tires are sold under this same plan, except that the Jobber contracting with the Diamond District Control is not granted exclusive territory.

Service Depots, sometimes called "branches," are, in the strictest sense, what their name implies, nothing more than stock warehouses established for the purpose of making quick deliveries. Although depots are sometimes operated in connection with other forms of branch-houses, they are usually mere fill-in stations for orders having no jurisdiction of their own. The most vital element in any business is the ability to make prompt delivery, and the service depot is the answer to this problem.

The Direct Factory Branch, the purest form of branch-house, is, in reality, a part of the parent factory. Its officers are officials of the parent company, and it is just as much a division of the organization as any department located at the factory. While the selling and distributing duties of the company maintaining direct factory branches are centered in these branches

under the supervision from the home office, the scope of a direct factory branch is often so great that it becomes a unit in itself and must establish and utilize the other forms of branch-houses; i. e., agencies and depots in the carrying on of its business. Such is the case with the Goodrich branches.

The Selling Corporation, a now generally popular medium of distribution among large enterprising industries is of two kinds, viz., those which are national in scope embracing the entire sales activities of the manufacturer, and those of a purely local character whose activities are confined within the bounds of certain prescribed territory, either intra state, county or city-wide as the case may be. Either may be entirely under the control of the parent company having only sufficient capital stock to enable it to carry on its particular business, this stock held as one of the manufacturing company's assets, or, as is sometimes the case with local selling corporations, the stock may be held jointly by the manufacturer and the local manager. Generally, however, the parent corporation maintains the controlling interest in these small selling companies.

In the beginning selling corporations were organized to better enable the seller to conform to the laws of the various states in which distributing units were maintained, but as existing today they are also generally maintained for reasons of sales economy and efficiency. In many instances these are of similar name to the parent company being therefore readily associated with and often thought by the public to be a part of the parent company although in reality entirely separate institutions which have been organized for selling purposes only.

The B. F. Goodrich Rubber Company is such a corporation buying the entire product of The B. F. Goodrich Company of Goodrich brand and marketing this product thru its local branches and depots. The Diamond Rubber Company is also another such organization buying and marketing the entire B. F. Goodrich output of Diamond Brand rubber goods. The capital stock of both these corporations is under the control of The B. F. Goodrich Company, the other stockholders being the officers of the selling corporations.

The Function of the Branch-House. Manifestly, the function of a manufacturers' branch is to accomplish the sales and distribution of the factory output and although selling and distributing in any business is so closely connected that it is difficult to draw the line between them, as mentioned previously, some types of branch stores, such as stock and service depots, are devoted almost entirely to the problems of distribution, while on the other hand, many apply their efforts almost wholly to sales. This latter is true, particularly, in the case of companies whose merchandise is sold in large quantities, the orders ordinarily being placed far in advance of the specified date of delivery. From the standpoint of service, however, all branches can be divided into:

1. Those which serve the consumer.
2. Those which serve the dealer and jobber.
3. Those which serve the manufacturing trade.

We—all of us—are familiar with many of the companies whose branches serve the consumer, but unless we happen to have dealings with them, we are not liable to know the location of the manufacturers' branches which serve the dealer and jobber or manufacturing trade. Most of us can instantly give the location of a

United States Cigar Store, Woolworth's or a Western Union office, but on the other hand, unless we are in some way connected with the wool business, we are not liable to know the location of many branches of the American Woolen Mills Company, and likewise unless we are in some way connected with the paper trade we are not liable to be familiar with the location of the branches of the American Strawboard Company. Everyone knows Spearmint, Bull Durham, Big Ben, O'Sullivan's, Cream of Wheat, and Sunkist, but many of us have no idea where the dealer buys these well known commodities. As a matter of fact as long as we get the goods when we want them we do not care particularly where they come from.

Back of every one of these articles, however, is an elaborate scheme of distribution, and one of the biggest problems confronting every manufacturer is keeping in close touch with the people to whom he sells his product. Close acquaintance with conditions in all parts of the country, not only adds strength to the business, but has another virtue in that it increases the seller's chances of getting the "pick-up" rush orders which always gravitate to the books of the factory who is on the ground with a branch.

The majority of us are more or less familiar with the "merchant huckster" wagons which have replaced the itinerant peddler in most of our rural communities and with the good offices which they have performed in bringing the store to the farm and incidently broadening their own field of activity to include much of the business previously enjoyed by the mail order house and the small peddler from afar. The comparison may be far-fetched, but the factory branch today is the "huckster" wagon of the modern manufacturer and will be successful only insofar as it gets close to the actual needs of the people

it serves. In establishing such a system, each concern must study the needs of its own business and adopt any one or all of the types which will best fit into its particular product and scheme of selling.

We need but call to mind three typical examples of direct branch activity, viz., the well known vendor of 5 and 10c merchandise, the well known packer of meats and the large tanner of hides to illustrate why the choice of a sales or distributing branch location must be contingent upon a careful consideration of several factors. In the first instance, manifestly, the branch must be located in a population center since its market is the general public, i. e., the householder, but the choice of cities is not limited, the only prerequisite being that the city contain the element to whom this class of merchandise has an appeal. On the other hand since this type of branch depends upon small profits and large volume it must be located in the Congested District. As an example of how important this factor is considered it is said of one large retailer of cigars that the number of smokers passing a given point per day determines the location of their stores.

In the case of the meat packer's branch, however, the choice of location is not as important so long as it is fairly contiguous to the retail district of the city. But here the choice of cities is of more importance, and railway service to the outlying district served by the branch must be considered well. For instance, Boston rather than Portland is the logical location for the New England States main branch since its railway facilities are incomparable from a quick service standpoint. The tanner of hides, on the other hand, cannot choose his branch location outside the market zones of the commodity he is dealing in, and thus we will find shoe leather tanneries

locating their branches in close proximity to the shoe manufacturing districts with a view also to selecting the center of transportation for the district.

Sectional pride or market preferences in some lines of merchandizing may be elements with marked effect upon the location of branches. The Cleveland dealer in a few instances may dislike to order merchandise from Cincinnati, or the Indianapolis merchant may be foolish enough to believe that it lends to his store a prestige not otherwise possible if he buys Cleveland made garments in New York City, and accordingly the wise manufacturer in establishing branch houses is bound to consider such sentimental boundaries. Then too the location of the wholesale branch has been during the last few years influenced by the growing tendency towards the grouping of allied commodities, and today certain sections of many of our large cities are almost entirely devoted to the handling of a few classes of merchandise and the branch-house of practically every manufacturer in those lines is situated in this section. Almost every important city has its automobile row, its newspaper row, its wool, cotton and grain centers. Retail merchants form the habit of going to these sections to do their buying and the manufacturer who has his branch off the beaten path faces an added problem in trying to attract the buyers to his store.

Relation of Branch to Selling Force. The relation of the branch to the selling force is something sometimes obscure and difficult to define since branch activity assumes so many forms; and yet every student of business will recognize that in whatever form the two are a part of the selling organization and are inseparable.

The branch may be of the agency type and the force, i. e., the field salesmen in its direct employ, working under

agency jurisdiction alone; or the sales force may be working under the jurisdiction of a pure factory branch, either directly or indirectly responsible to the home office. Again they may be working under the guidance of a centralized factory sales government, merely operating in conjunction with the stock or service branches and depots but the main principle nevertheless remains the same; both are links in the chain of distribution from producer to consumer, and their relation to each other is not changed by the arrangement under which they labor.

The nature of the product, its channels of trade and field of usefulness are factors determining which plan of marketing may be the best, but irrespective of whether the goods be sold through direct factory branch or agencies having no connection except sales with factory, or even through selling corporations, the sales organization is this unit plus the field force, which latter is always the connection between the branch and its customers. We must, however, before passing on to the fuller description of the workings of the Goodrich Branch Organization, in conclusion of this rather abstract discussion upon the theory and practise of branch sales methods, call to attention the fact that while many factory branch houses are purely sales headquarters, shipments being made direct to the trade by the factory, ours are established as both sales and distributing units. Thus we are able to serve better that small dealer class of trade which never has at any time so far, made a practise of anticipating their seasons wants far enough ahead to wait upon factory shipments. Our branch organizations also serve one other very important end in that they provide the automobilist with a convenient service in such instances as our product needs the attention of expert adjusters.

CHAPTER FIVE

The Branch Organization

INTRODUCTORY. The original sales plan of this company was based on correspondence almost entirely, with a limited number of agencies, the first direct branch-houses being opened in New York, Boston, and Chicago, July 1, 1898. Thus the present Goodrich branch plan of distribution has been one of gradual development extending over a period of about 20 years from the time when our products were handled in these three centers of trade by an agency, the Columbia Rubber Works Company, which company was taken over by us preliminary to the opening of our own branches. From this beginning in 1898 there has been a gradual growth of the Goodrich branch organization until today its influence is felt in every important merchandising center of the United States and in many cities of foreign countries as well.

The B. F. Goodrich Rubber Company, which as we have previously mentioned, is in itself a form of selling branch, has general control over all Goodrich Brand American Sales, operating direct branches in such cities as New York, Chicago, Boston, Philadelphia, Detroit, Buffalo, St. Louis, Kansas City, Pittsburg, Indianapolis, Minneapolis, Cleveland, Cincinnati, San Francisco, Atlanta, Seattle, Los Angeles and Akron, which in turn are supplemented by sub-branches or "depots" located at advantageous shipping points throughout each branch territory. The foreign business is transacted by selling

companies in like manner; The B. F. Goodrich Company, Ltd., of Toronto, conducting the Canadian sales; The B. F. Goodrich Company, Ltd., of London, conducting the English business, while the Societe Francaise is in charge of the French sales though this latter corporation is also a manufacturing company operating our factory at Colombes, France.

On account, however, of the diversity of our products, which are of necessity marketed through many channels, the operation of this gigantic branch system, which includes characteristics of every sort of branch-house, must in consequence be complex, and is accordingly at first unintelligible to the student of the rubber business. It will be recognized at once that no hard and fast rule as to the type of distributing medium we shall use can possibly apply in the marketing of our entire output for a plan which might be best suited to the sale of tires would not be feasible or even workable in the sale of fire hose.

Thus it is that agencies must be made use of as we do in Japan and South American countries and, likewise some products cannot be sold with success thru our direct branches and depots but must be marketed from Akron direct to the trade while others are best sold thru Jobbers. To give a better idea of why this is true we offer the following approximate outline of trade channels in the various lines:

Goodrich Pneumatic tires to the Retail Dealer, and
Manufacturer.

Goodrich Solid tires to the Consumer, Retail Dealer,
Distributor and Manufacturer.

Bicycle tires to the Retail Dealer, Jobber and
Manufacturer.

Boots and Shoes to the Retail Dealer.

Clothing to the Retail Dealer, Jobber and Consumer.
Hard Rubber to the Jobber, Manufacturer, and Consumer.

Goodrich Mechanical Goods including Molded Articles, etc., to the Consumer, Retail Dealer, Jobber and Manufacturer.

Insulated Wire to the Consumer, Dealer, Jobber and Manufacturer.

Specialties, including Sport Goods, etc., to the Consumer, Retail Dealer, Jobber and Manufacturing Trade.

Diamond Rubber Goods to the Jobber. (Some classes to the Consumer.)

A study of this outline gives us an idea of the big problems of marketing confronting the General Sales organization. Since the marketing channels of each class of goods mentioned differs from those of every other class and the natural marketing centers of the various lines are not always the same, as a result, we find it necessary to maintain in some cities a branch handling several lines, while in other cities the same arrangement would be sheer waste of money and effort. Certain classes of rubber goods, such as the tire lines, must be universally convenient to the trade, while on the other hand, material such as insulated wire, can be handled thru a few centers widely separated, and this is true on down thru the line, from belting to tennis balls, as is best exemplified by citation of the actual selling arrangements in effect at the present time for our various lines. We must, however, keep in mind that such great economic changes as are liable to be brought about by the "Great World War" may make necessary the modification of all present marketing arrangements, and in consequence we may find almost any time that we

have an entirely different plan of stock distribution from the one shown in the following outline:

<i>Goodrich Pneumatic Automobile, Motorcycle and Bicycle Tires</i>	All District and Local Branches.
<i>Solid Tires (Truck and Industrial)</i>	All District and Local Branches.
<i>Automobile Accessories</i>	All District and Local Branches.
<i>Boots and Shoes</i>	New York, Boston, Chi- cago, Minneapolis, Detroit, Kansas City, San Fran- cisco, Seattle, Pittsburgh, Branches, Omaha and Den- ver Local Branches and such other branches as the General Sales Department may from time to time decide as necessary for the best distribution of our products.
<i>Clothing</i>	Akron, only.
<i>Mechanical Goods, Including Molded Goods, Belting, Hose, Packing, Matting, Paper Mill Supplies, Etc.</i>	New York, Chicago, Bos- ton, Philadelphia, Buffalo, Detroit, Kansas City, At- lanta, San Francisco, Los Angeles and Seattle Dis- trict Branches, Norfolk, Joplin, Birmingham, Den- ver and Syracuse Local Branches.

*Drug Sundries
Specialties, Sport
Goods, Etc.*

Entire sales and distribution scheme centers around Akron, with the exception of the Pacific Coast, San Francisco Branch.

*Hard Rubber, Including
Such Things as Laboratory
Tubing, Ornamental Toilet
Devices, Electrical Acces-
sories, Pipe Stems, Etc.*

New York, Chicago, and San Francisco.

Insulated Wire

New York, Chicago, Detroit, and San Francisco.

It must be apparent to all who have arrived at this point, that for convenience in administration, certain arbitrary sales districts must be set up. Such at least, is the case and we have the whole country divided into great zones, each of which has as its hub some one of the great merchandizing centers, such as Chicago, in which is located the Goodrich branch having jurisdiction of sales and distribution of the company's products within the entire zone.

The distribution of Diamond Brand Rubber goods is centered in five points, viz., New York, Chicago, Philadelphia, San Francisco, and Akron, which are known as "Diamond District Control Centers." Goodrich branches, where conditions make it advisable, carry a stock of Diamond goods, but at present all sales and distribution is controlled by the Diamond Sales organization in the five centers named.

Organization and Working Plan of a Goodrich Branch. The delegating of authority and division of duties in the several Goodrich branches vary somewhat,

due to local conditions, size of branch, and the differing ideas of the several managers, but in most respects, the organization of the branch forces is along somewhat standard lines. The chart found at the conclusion of this chapter illustrates a typical subdivision of branch duties and responsibilities, and while in every branch there are variation from this set plan, the most marked deviation from the chart will be found in the very small branch where of necessity several departments must be combined under one head having authority over the combined duties resulting. The organization necessarily centers around the branch manager who has absolute control of its employees and of all problems connected with the sale and distribution of the Company's products in its territory, subject of course to General Sales Department regulation.

As is the case with the factory personnel, the branch organization can also be said to parallel the military unit, and the same general rules of superseding authority will apply. The branch manager is, of course, the commanding officer, receiving his authority from "higher up" at the central headquarters—Akron. His immediate aid or aids, as the case may be, i. e., department heads, such as chief adjuster, operating manager, sales personnel and training manager and assistant branch sales managers are next in authority, the chief clerks following as petty officers, while the clerks and other workers compare to the privates in the ranks.

The branch manager supervises all activities of the branch through the heads of the various departments, but since, however, the only excuse for the existence of this institution is sales, he rarely gives his personal attention to anything not pertaining strictly to selling work. Supervision of all actual labor in connection

with district or local branch operation is delegated to the operating manager who has jurisdiction over all such duties of the branch proper and likewise of the depots which come under its authority, although the latter, of course, has its own operating manager, as will be explained later.

It will be recognized that this arrangement permits the branch manager to more easily carry his many responsibilities, thus enabling him to apply his best thoughts and energy along lines toward the wider distribution of our goods. In those branches, however, where a variety of products are dealt with, even in this work he needs assistance, and accordingly, department sales managers who are in reality fully responsible for the sales of the branch and charged with the duties of supervising in a general way the work of field men in the sale of each of the several products handled by the branch, assist him. Generally, these several department heads are on a parity and each is of equal rank with the others.

One other important dissimilarity from the typical branch arrangement is seen in the organization of certain branches, which are, as previously cited, Diamond District Control Centers. The Diamond selling force is entirely separate from the Goodrich, being operated under the jurisdiction of a Diamond District Control Manager who has, the same as the Goodrich Manager, directing authority over the sales and distribution of Diamond products in his territory. As may be imagined, however, there is a connection between the Goodrich and Diamond divisions in these branches in the Adjusting and Operating departments, where for convenience's sake the Goodrich division handles all Diamond adjustments, credits, bookkeeping, receiving, storing, shipping

maintenance, etc., the Diamond division being concerned in sales alone. While in some cases, one man acts as both Goodrich and Diamond manager, ordinarily, the Goodrich Branch Manager and the Diamond District Control Manager both work directly under Akron and have little connection with each other, except in matters affecting detail operation of the Diamond District Control business.

Goodrich Branch Departmental Relations. As the reader doubtless has by this time assumed, the Goodrich branch is in itself a complete unit, paralleling in practically every detail, the organization of any mercantile enterprise, and as such must perform all the functions belonging to the independent wholesale establishment. As previously intimated, all branch activities are so closely interrelated and interwoven that none can be defined by rigid boundaries. These are, however, for convenience in administration, arbitrarily classified either as operating or selling, as portrayed in the chart at the end of this chapter. But the exact line of demarcation between departmental duties does not, as might be imagined, follow closely these charted divisions, and in some cases are so fine that they can be learned only through contact with the work. As, for example, the adjusting and correspondence departments are classified as sales activities although some of their duties come under the supervision of the Operating manager.

The welding of all these departments into one co-ordinate sales unit is the one big problem faced by a branch manager. If one is inefficient, the result is felt through every other department, and if there is friction in the relation between any two, the whole

branch suffers. Teamwork is the slogan of every branch manager, and it is not unusual to find one department working overtime in an effort to aid another which is behind because of an abnormal rush.

Goodrich Branch Departmental Duties. In discussing the function of each department, we may perhaps be able to make our meaning more obvious if we follow an order for a set of tires from the time it is taken from the customer entirely thru until our responsibility in the sale ceases. For if the order were for other items of our line, the general plan of handling it would be the same, except that questions of sales would be referred to the department interested in the class of goods ordered, rather than the pneumatic tire sales department. Let us keep in mind, however, in following this description that we are citing a hypothetical case and it is improbable that there will ever be an actual order which involves as many departments and which requires as many entries. Our aim is merely to show what connection each department has with an order.

A consumer, let us say, drives up to a garage where Goodrich tires are carried in stock, to purchase a full set of 35x4½ SS Safety casings with brown tubes and the dealer whose weekly order has been delayed by freight embargo finds that he is entirely out of the size desired. He suggests naturally that he will order from the Goodrich branch near by, specifying immediate shipment via express. The prospective customer, however, decides to drive to the city that day, saying that while there, he will stop at the Goodrich branch and get two of the tires which he is badly in need of. Accordingly the dealer calls our branch by telephone, and asking for the order department, he tells the clerk to ship him two casings

and two tubes, 35x4 $\frac{1}{2}$, and to deliver to the consumer, his customer, who will present a signed order that day, two additional casings, the same size, with the tubes, all to be charged to his (the dealers) account.

The order clerk, after looking up the price classification to which this garage is entitled and writing the order, refers it to the credit department. If the credit of the dealer is O. K., the order is approved for delivery and passed to the stock regulation department where it is to be found whether or not the stock is available. By the cards, the stock regulation department find that it has received a shipment of tires including this size the day previous and that the order can be filled immediately; whereupon it is passed to the stock rooms and two casings and two tubes are sent at once to the shipping department to be expressed to the dealer, to whom at the same time, a letter is written by the order department acknowledging receipt and thanking the customer for the order.

This letter is typed by the stenographic department and dispatched by the mailing department. The tissue goes to one of the general clerks, and, unless there is something mentioned which this clerk decides warrants being shown to others in the organization, is passed on to the files.

In the afternoon of the same day the dealer's customer presents the signed order. The counter clerk, who receives this paper, sends it to the stock rooms and while it is being filled receives an O. K. from the credit department. While the casings and tubes are being delivered to the counter, the consumer explains that one of his old tires is about gone and requests us to mount in its place one of the new ones for him. The service department is called, and so instructed, and while complying the service man examines the old casing suggesting to

the customer that it may be repaired. Thanking him for the information, the autoist tells us to send it to our repair department, and when completed to ship it to him direct.

The following morning, the billing department bills all four tires to the Garage in accordance with instructions, and a copy of this bill goes to the bookkeeping department where it is entered upon the ledger. Another copy goes to the statistical department and a record is made for the purpose of comparison with the sales of previous years. Some days later, the dealer receives a statement of his account and in remittance sends a check to the branch. This check goes to the cashier and is banked by him after the proper entries are made on all records.

During the fall, the branch manager decides that he wants some testimonial letters to use in a selling campaign from men around Kirksville, the dealer's town, and accordingly, the correspondence department, thru its advertising division writes to this consumer asking him if he will tell us what service he has received from the four tires put on his car in the spring. In reply the autoist writes us telling of the fine service he has received from three of these tires, but in his letter states that one of the four had blown out at about 2,000 miles. He admits that he did not know the cause, but states that since the service of the other three had been so good he made no complaint.

His letter is immediately turned over to the adjusting department, and they write requesting him to return to us for our inspection the tire that had not given good service. In this instance it is found that the blow-out has been caused by a minor defect in the fabric, and therefore, an adjustment is offered, which proving satisfactory is accepted.

This theoretical case, warped to show the workings of every branch department, has succeeded in utilizing every one with the exception of the one having to do with branch maintenance. The whole scheme of branch operation may, however, if we outline briefly the duties of each department according to their importance, be made clearer.

Sales Department—comes in direct contact with the customer. It is the department which establishes points of distribution and incidentally “Gets the Orders.”

Counter Sales Department—is the inside sales organization which comes in direct contact with the customer.

Correspondence Department—supports the salesman in the territory covered by him, through direct by mail advertising, and in addition, assumes responsibility for the sale of Goodrich products in territory not covered by salesmen.

Trade Record and Statistical Department—keeps a record of prices extended to various concerns, files salesmen’s reports, and keeps records of the amount of business obtained.

Credit Department—establishes credit limits on all customers’ accounts, keeps the “Accounts Receivable” books of the branch and collects all accounts.

Stock Order Department—is responsible for the stock carried. It prepares sales estimates, orders goods from the warehouse and holds it in stock until such time as the sale is made.

Shipping and Receiving Department—receives all goods coming into the branch and ships out all goods ordered by the customer.

Billing Department—issues all invoices, i. e., bills the customers for the goods purchased.

Adjusting Department—handles all complaints from customers on goods which have not given entire satisfaction.

Organization and Working Plan of a Goodrich Depot. We must now consider a smaller area of trade having as its axis one of the numerous smaller merchandising centers, in which is located a sub-branch or in reality a branch of the central sales unit, the local manager of which is accountable for the sale of the company's products within this smaller territory, to Akron, through the manager of the central branch. This arrangement makes, as it were, wheels within a wheel, the larger one representing the greater zone, the smaller ones the lesser, although the central branch has naturally a certain portion of the great zone which it administers direct. While these local sub-branches, or as they are frequently termed, depots, maintain sales control over their several territories, and have direct contact with Akron concerning many matters, they are, in the last analysis, in so far as sales matters go, under the direction of the larger units and their managers are accountable for their acts to the managers of the larger branches just as the latter are accountable to the Akron office for their acts.

So it is that while most corporations operating branch systems establish each as a separate unit, answerable to the home office alone, under the Goodrich system, each branch has under its jurisdiction a number of smaller units so located in the territory as to provide quick deliveries. Primarily, the local branch operates under the same plan as the central branch, except that its

departments are much smaller, and its activities limited to the smaller zone. In short, the local branch is a sales unit established to give close connection with the market, and the territory covered by each is determined by shipping and marketing conditions. For instance, in a state with thirty counties, we might have a branch and two sub-branches. Each of the smaller units might operate in ten counties, leaving the balance of the state for the central branch to deal with.

The sub-branch makes all shipments and handles all adjustments in its own territory and since it is in a better position to give quick service to its customers, they are requested to send their orders to this point rather than to the central branch. In fact, in the minds of most of our customers, the "depot" has all of the authority and functions of a branch. The sub-branch local manager usually acts as a city salesman and in addition directs the activities of the field men travelling the territory covered by the unit. The operating work is under the direction of an assistant who is termed "Chief Clerk and Adjuster." Sometimes, however, the sub-branch is of such size that these duties must of necessity be divided, in which case, these two men stand in the same relative relation to the local manager.

The sub-branch organization likewise follows the general rule of superseding authority, although the local manager of this smaller unit receives his instruction from Akron through the branch manager under whose jurisdiction the smaller territory falls and not direct. In other words, the sub-branch manager is in effect the local territory sales manager.

Akron Sales Organization in Relation to Branch. The entire Goodrich sales organization,

together with all sales plans and programs, is under the direction of the General Sales Manager, who is the head of all sales departments. The sales activities of each of the several lines, is, however, under the direct supervision of Sales Department Managers who are individually responsible for the business of their department.

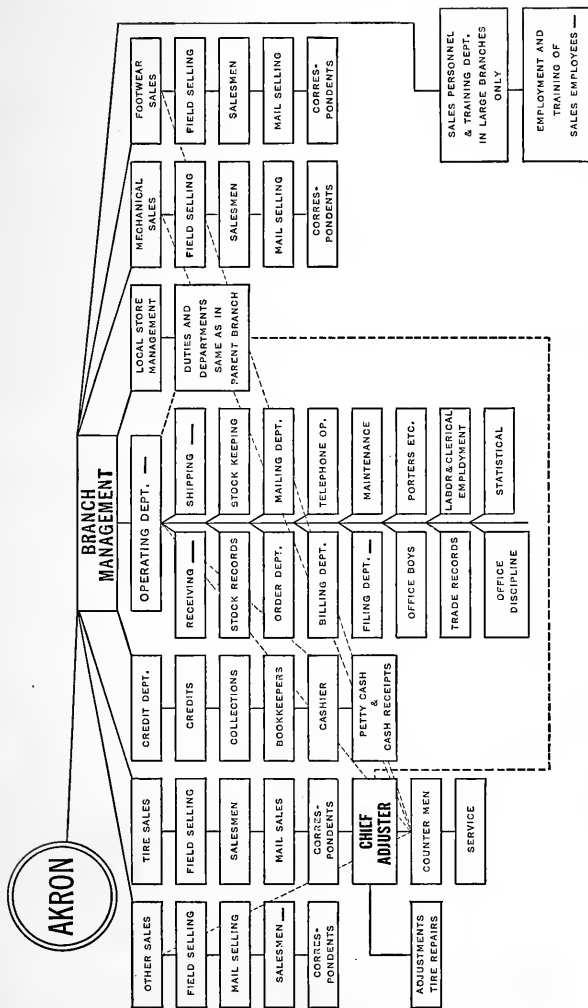
These department managers base their sales campaigns on branch methods, but since each is an expert in the division he controls, all inquiries and sales problems from the branches are referred to them. They and the several branch managers work together through the General Manager of Sales. Main campaigns are planned at Akron, the details are carried out by the branches; but since the branch manager is able to see conditions in his territory only, while department managers see them as a whole, the Akron office acts as a clearing house for all ideas and reports of the men on the firing line, and, with the information it gets from all over the world, builds policies that can be made universal.

Branch Operating Department in Relation to Akron. Since the most important function of the branch, viz., selling, must of necessity be under home office supervision, the question most naturally arises as to whether this same condition is not also true of the operating work. Such is the case. Detail standardization must in an institution of this magnitude be a byword, otherwise a diversity of forms and methods would be put into effect by the various branches and thus would confusion ensue. Branch administration is therefore an accepted principle and a department which is known by this same title supervises in a general way the methods used, and the expense incurred in the operation of all branches. Such a plan is only logical since in no other

way could the General Sales Department hope to keep its finger upon the pulse of the rubber business of the world or control through records and reports, the expense of operating its numerous branch houses.

While each department at Akron may be in constant direct contact with the branch concerning matters of detail work, no changes in methods can be inaugurated or unusual expense incurred, without first clearing through the Branch Administration division at Akron. The Auditor's office, furthermore, sends periodically its traveling representatives into all branches to see that all rules of branch operating, as laid down for all alike are being observed religiously. This work is under the supervision of district auditors, who, being stationed at central points, guide the activities of their men in the several districts.





ILLUSTRATIVE CHART OF USUAL BRANCH ORGANIZATION

CHAPTER SIX

A Profession

GOODRICH. Selling the products of The B. F. Goodrich Rubber Company is a profession which requires brains, study, talent, and ingenuity, just as does law or medicine. When the young man decides to take up law or medicine, or any one of the professions, he makes his choice because he feels that nature has partially equipped him for a particular kind of work. Once he has made his choice, he must have faith enough in his ability and his own right reading of his future, to spend three or four or five years of his life and hundreds of dollars to "get ready to start at the bottom of his chosen profession." Likewise, a young man starting with The B. F. Goodrich Rubber Company faces the same problem as does one who enters the other professions. It will take him two or three or four years in which to build a foundation for future progress.

Putting it bluntly, this corporation offers but one opportunity to the young man who comes into its sales organization—"a chance to work," which perhaps can best be amplified by the following homely story:

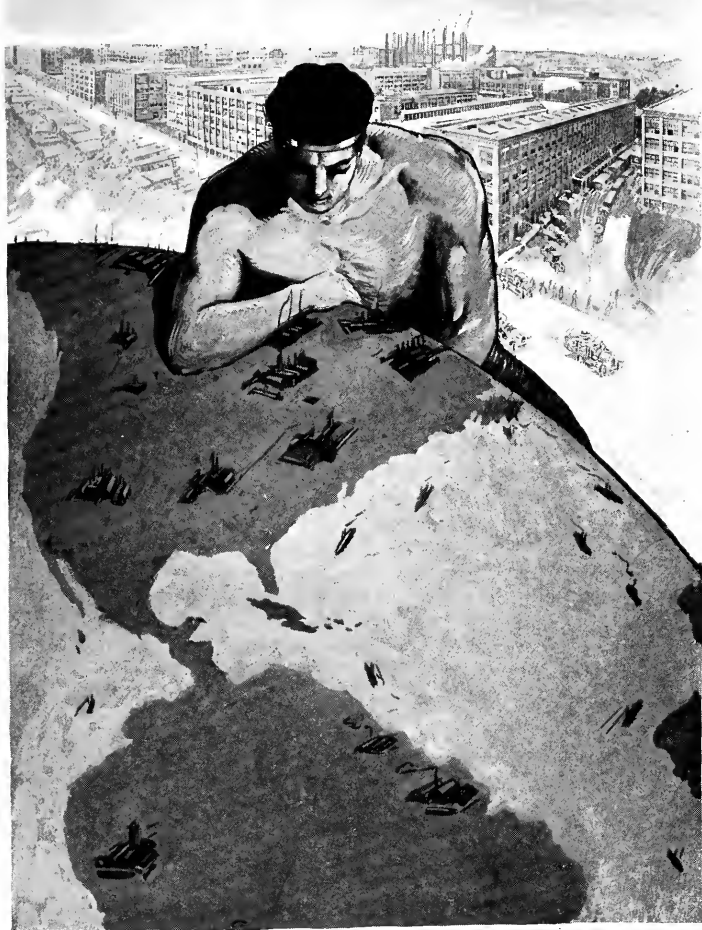
A certain man opened a retail grocery in a thriving town of one hundred thousand people; a store which should have become an economic necessity to the community and accordingly waxed prosperous. But, he let the cat sleep in the cracker barrel, left the rotten apples in the basket, never washed the fly specks from the windows, and one day the sheriff tacked this notice

upon his door: "Closed by order of the Court." It is true that the Gods of chance sometimes determine whether or not such a store will stay in business, for if so located that others are not handy to the housewife, it will make little difference whether slovenly and ill-kept, business from the neighborhood will keep it going, *a ditch digger in the grocery business.*

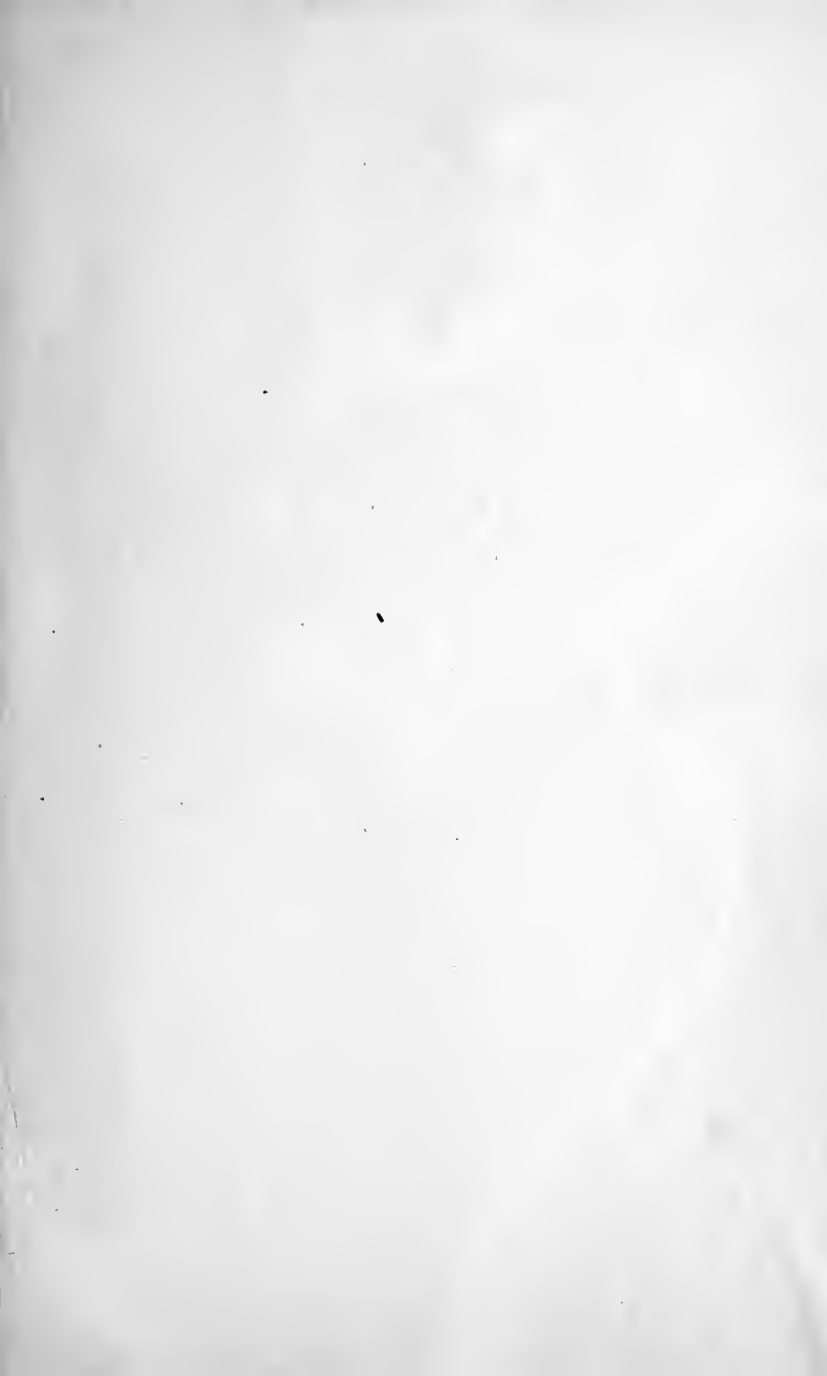
But, on the other hand, if the merchant watches the markets, if he keeps up-to-date, if his fruit is a little rounder and a little fresher, if his windows are a little brighter, service is a little better, courtesy heartfelt, advertising progressive, and dealings honest, he may some day own a chain of stores.

The Goodrich Rubber Goods Sales Profession has just as many ruts as will be found in any grocery store, perhaps more, and once in its organization it will be just as easy for a man to dig his grave as in the grocery business. The corporation is just as heartless and as soulless as any corporation can be—which is only as heartless and as soulless as the men who make up its personnel. It offers no easy road to riches, it offers no plotted way to success; but, if a man can stand on his own feet; if he can see an opportunity, have enough confidence in himself to go after that opportunity; if he will realize that any path he follows will be a path of his own choosing; if he doesn't expect the corporation to pick a place for him and drive him to it; if he is willing to become a part of the team, follow signals, and "play the game"—he will find the pot of gold at the end of the rainbow—because he took it with him.

Studying the Rubber Needs of the World



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